

WHITE CASTLE VOLUNTEER FIRE DEPARTMENT, INC.

White Castle, Louisiana

FINANCIAL REPORT

(Compiled)

September 30, 2008

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 5/13/09

WHITE CASTLE VOLUNTEER FIRE DEPARTMENT, INC.

White Castle, Louisiana

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Board of Directors
White Castle Volunteer Fire Department, Inc.
White Castle, Louisiana

We have compiled the accompanying statements of financial position of the **WHITE CASTLE VOLUNTEER FIRE DEPARTMENT, INC.** (a non-profit organization) (Department) as of September 30, 2008, and the related statements of activities, and cash flows for the year then ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Faulk & Winkler, LLC

Certified Public Accountants

Baton Rouge, Louisiana
February 17, 2009

WHITE CASTLE VOLUNTEER FIRE DEPARTMENT, INC.

White Castle, Louisiana

STATEMENTS OF FINANCIAL POSITION

September 30, 2008 and 2007

(See Independent Accountants' Compilation Report)

ASSETS

	<u>2008</u>	<u>2007</u>
CURRENT ASSETS		
Cash	\$ 79,434	\$ 106,257
Due from Iberville Parish Council	<u>9,544</u>	<u>8,923</u>
Total current assets	88,978	115,180
PROPERTY - net of accumulated depreciation	<u>350,433</u>	<u>408,299</u>
Total assets	<u><u>\$ 439,411</u></u>	<u><u>\$ 523,479</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Current portion of long-term debt	\$ 21,190	\$ 20,245
Accounts payable	<u>-</u>	<u>734</u>
Total current liabilities	21,190	20,979
LONG-TERM DEBT - net of current portion	<u>123,397</u>	<u>144,587</u>
Total liabilities	144,587	165,566
NET ASSETS - unrestricted	<u>294,824</u>	<u>357,913</u>
Total liabilities and net assets	<u><u>\$ 439,411</u></u>	<u><u>\$ 523,479</u></u>

The accompanying notes to the financial statements
are an integral part of this statement.

WHITE CASTLE VOLUNTEER FIRE DEPARTMENT, INC.

White Castle, Louisiana

STATEMENTS OF ACTIVITIES

For the years ended September 30, 2008 and 2007

(See Independent Accountants' Compilation Report)

	<u>2008</u>	<u>2007</u>
REVENUES AND SUPPORT		
Sales tax proceeds	\$ 117,317	\$ 153,313
Grants	23,895	26,430
Contributed supplies	14,158	12,060
Interest	1,670	1,493
Donations	1,025	2,944
Other	<u>29</u>	<u>-</u>
Total revenues and support	<u>158,094</u>	<u>196,241</u>
EXPENSES		
Depreciation	67,343	63,756
Maintenance	42,233	15,154
Training	33,273	3,729
Supplies	29,570	15,117
Office	22,116	18,613
Contributed supplies	14,158	12,060
Interest	7,693	8,595
Other	<u>4,797</u>	<u>10,254</u>
Total expenses	<u>221,183</u>	<u>147,278</u>
Increase (decrease) in net assets	(63,089)	48,962
NET ASSETS		
Beginning of year	<u>357,913</u>	<u>308,951</u>
End of year	<u>\$ 294,824</u>	<u>\$ 357,913</u>

The accompanying notes to the financial statements
are an integral part of this statement.

WHITE CASTLE VOLUNTEER FIRE DEPARTMENT, INC.

White Castle, Louisiana

STATEMENTS OF CASH FLOWS

For the years ended September 30, 2008 and 2007

(See Independent Accountants' Compilation Report)

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ (63,089)	\$ 48,962
Adjustments to non-cash items:		
Depreciation	67,343	63,756
Change in operating assets and liabilities:		
Due from Iberville Parish Council	(621)	(1,943)
Accounts payable	<u>(734)</u>	<u>(677)</u>
Net cash provided by operating activities	2,899	110,098
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments in fixed assets	(9,476)	(63,955)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment on long-term debt, including capital leases	<u>(20,246)</u>	<u>(19,344)</u>
Net increase (decrease) in cash	(26,823)	26,799
CASH		
Beginning of year	<u>106,257</u>	<u>79,458</u>
End of year	<u>\$ 79,434</u>	<u>\$ 106,257</u>
SUPPLEMENTAL DATA:		
Interest paid	<u>\$ 7,693</u>	<u>\$ 8,595</u>

The accompanying notes to the financial statements
are an integral part of this statement.

WHITE CASTLE VOLUNTEER FIRE DEPARTMENT, INC.

White Castle, Louisiana

NOTES TO FINANCIAL STATEMENTS

(See Independent Accountants' Compilation Report)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Operations

White Castle Volunteer Fire Department, Inc. (Department) is a non-profit corporation within the meaning of Section 501(c)(4) of the Internal Revenue Code. The purpose of the Department is to provide fire protection, emergency medical service, and hazardous materials handling to the citizens of the Town of White Castle (the Town) and its outlying areas.

Basis of accounting

The Department maintains its financial statements and related records on the accrual basis of accounting wherein revenues are recognized in the accounting period in which they are earned and become measurable and expenses are recognized in the period incurred, if measurable.

The Department reports information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Department does not have any temporarily or permanently restricted net assets at September 30, 2008 and 2007.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts and related disclosures of the financial statements. Actual results could differ from those estimates. Estimates are used primarily when accounting for depreciation and contributed support in these financial statements.

Income Taxes

The Department is a not-for-profit organization that is exempt from income taxes under Section 501(c)(4) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Revenue recognition

The Department is primarily funded by an allocation of dedicated parish-wide sales tax proceeds. Supplementary funding is provided by donations solicited from the general public, local businesses, and civic organizations, which are recognized as received.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

For purposes of the statement of cash flows, the Department considers cash in bank accounts as cash. The Department has no cash equivalents at September 30, 2008 and 2007.

Fair value of financial instruments

The carrying value of cash, receivables, and accounts payable approximates fair value due to the short-term maturity of these instruments. The carrying value of short and long-term debt approximates fair value based on the current rates offered for debt of comparable maturities and collateral requirements. Financial instruments are not held for trading purposes.

Equipment and depreciation

Equipment is recorded at cost. Depreciation is computed using the straight-line method over the estimated service lives of the assets.

NOTE 2 - PROPERTY

A summary of property, related service lives, and accumulated depreciation at September 30, 2008 and 2007, is as follows:

<u>Equipment</u>	<u>Estimated Service Life</u>	<u>2008</u>	<u>2007</u>
Building	30 years	\$ 101,155	\$ 101,155
Land improvements	10 years	8,460	8,460
Fire truck - pledged	10 years	349,668	349,668
Vehicle	5 years	3,875	3,875
Equipment	3-5 years	<u>353,942</u>	<u>344,464</u>
		817,100	807,623
Less accumulated depreciation		<u>(466,667)</u>	<u>(399,324)</u>
Property, net of accumulated depreciation		<u>\$ 350,433</u>	<u>\$ 408,299</u>

Depreciation expense was \$67,343 and \$63,756 for the years ended September 30, 2008 and 2007, respectively.

A fire truck was purchased during 2004 for \$220,309, under a capital lease arrangement. Amortization of such equipment is included in depreciation expense. Accumulated amortization for such equipment was \$89,960 and \$67,929 for 2008 and 2007, respectively.

NOTE 3 - LONG-TERM DEBT

A summary of long-term debt at September 30, 2008 and 2007, is as follows:

	<u>2008</u>	<u>2007</u>
Lease payable in annual installments of \$27,938, including interest at 4.57%, maturing in September 2014, secured by a vehicle.	\$ 144,587	\$ 164,832
Less current maturities	<u>(21,190)</u>	<u>(20,245)</u>
Long-term portion	<u>\$ 123,397</u>	<u>\$ 144,587</u>

Future maturities are as follows:

<u>September 30,</u>	<u>Amount</u>
2009	\$ 21,190
2010	22,179
2011	23,214
2012	24,298
2013-2014	<u>53,706</u>
	<u>\$ 144,587</u>

The future minimum lease payments, inclusive of interest expense, are \$170,932; the interest component is \$26,345 and annual payments are \$27,938 through 2014.

NOTE 4 - RELATED PARTY TRANSACTIONS

Since the Department provides a service that would otherwise be provided by the Town, the Town provides support. The Town assumes certain costs and provides the facilities and equipment used by the Department. The equipment has an original cost of approximately \$278,013 which is not included in the equipment described in Note 2.

The Town budgets an amount to be expended in the purchase of various supplies for the Department. The amount of such expenditures in 2008 was \$14,158, and is included in the financial statements.

The Department continues to receive allocated sales tax proceeds from the Iberville Parish Council in exchange for providing fire protection to certain areas of the Parish extending beyond city limits.

NOTE 5 - ECONOMIC DEPENDENCY

The Department derives a significant portion of its revenues from a dedicated parish-wide sales tax, the loss of which would have a material adverse affect. During the years ended September 30, 2008 and 2007, revenue derived from governmental sources (Iberville Parish Council) accounted for approximately 74% and 78%, respectively, of total revenue and the amount due from the Iberville Parish Council.